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SUBJECT: HAN DUCK-SOO NEW ROK PM-DESIGNATE

Classified By: POL M/C Joseph Yun. Reasons 1.4 (b,d).

11. (C) Summary: President Roh appointed esteemed bureaucrat Han Duck-soo as Prime Minister on March 9. Han is currently Chairman of the Presidential Committee on Facilitating KORUS FTA and his nomination will be helpful for a successful conclusion of a KORUS FTA agreement. Han has few enemies and this choice will likely face little, if any, opposition in the National Assembly. Han has spent the majority of his illustrious career with the Economic Planning Board and related ministries and is a long-time advocate of economic liberalization, free trade and deregulation. End Summary.

BACKGROUND

12. (C) Born in 1949 in Jeonju, North Jeolla Province, Prime Minister-designate Han Duck-soo earned his MA and PhD in economics from Harvard University and a BA from Seoul National University. In addition to his current position as Chairman of the Presidential Committee on Facilitation of the KORUS FTA, Han served as Deputy Prime Minister from 2005-2006 and, during that time, was Acting Prime Minister for one month. Some of the other positions he has held are:

- Minister of Policy Coordination (2004-5)
- President of the Korea Institute for Industrial Economics and Trade (KIET, 2002)
- Member of the Industrial and Labor Subcommittee of the Presidential Advisory Committee on National Development Policy (2003)
- Assistant Secretary to the President for Economy (1993)
- Deputy Minister for Trade at Ministry of Trade and Industry (1995-6)
- Ambassador to the OECD (2001)
- Senior Secretary to the President for Economic Affairs (2002)

FLAWLESS?

13. (C) While some off-the wall press reports speculated that Han was chosen since he was younger than President Roh and others pundits noted Han's selection was due to his North Jeolla background, Han's lack of flaws has left even strongly anti-Roh press organs with no substantive criticisms of Roh's choice. Opposition sources in the National Assembly commented that there were no substantive grounds on which

Han's nomination process could be held up. Some expressed concern that the appointment of a pro-FTA PM could lead to a hastily concluded KORUS FTA. Overall Han's lack of political affiliation and excellent reputation make this choice a broadly acceptable one.

¶4. (C) For all his years of outstanding service, he has made only one major misstep - in 2002, as Presidential Senior Secretary for Economic Affairs, without transparently

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disclosing the process, he tried to push for a "Big Deal" on trade with China over the hotly contested garlic market - ROK would remove its safeguard measures and China would withdraw its trade retaliation threat. Han stepped down from his post under criticism, but since then has served impeccably in numerous other senior positions. Han's nomination must come before the National Assembly for approval within 20 days.

KEEPING IT IN THE FAMILY?

¶5. (C) Han is not related to outgoing PM Han Myoung-sook although they share the same last name. PM-designate Han is married to Choi Ah-young without children. He enjoys reading and speaks English fluently.

OTHER APPOINTMENTS

¶6. (C) Also on March 9, Roh appointed long-time "crony" Moon Jae-in Blue House Chief of Staff. Roh hoped to appoint Moon as Justice Minister in 2006, but due to fierce opposition, was unable to name Moon. There will be much outcry over the Moon appointment, but the position does not require a confirmation hearing. Also, Yum Sang-kuk was appointed as Blue House Security Chief.

COMMENT

¶7. (C) Han Duck-soo is a familiar figure for many USG officials and Korea-watchers. Embassy has dealt with him for several decades, some of them over tense negotiations, such as the financial crisis in 1997 and, more recently, the FTA negotiations. He is a pro-reform bureaucrat with considerable sympathy and understanding of USG positions. His expertise and balanced views are characteristics President Roh desperately needs in his final year in office.

VERSHBOW